

SEMI-ANNUAL FINANCIAL REPORT (NON-CONSOLIDATED)
For the Fiscal Year Ending March 31, 2007

November 22, 2006

Company name:	The Hachijuni Bank, Ltd.	Stock Exchange Listing:	Tokyo
Code number:	8359	Location of company:	Nagano Prefecture, Japan
(URL http://www.82bank.co.jp/)			
Representative		(Name)	Yoshiyuki Yamaura
		(Title)	President
For inquiry:		(Name)	Shigetaka Shimizu
		(Title)	Executive Officer & General Manager, Planning and Coordination Department
		(Phone)	026-227-1182
Date of Board Meeting on the Financial Results:	November 22, 2006		
Starting date of interim dividend payment:	December 11, 2006		
Adoption of stock trade unit system:	Yes (One trade unit: 1,000 shares)		

1. Non-consolidated financial data for the six months ended September 30, 2006

1. Non-consolidated operating results (Amounts and ratios presented are rounded down to the nearest unit)

	Operating income		Operating profit	
	Millions of yen	%	Millions of yen	%
For the six months ended 9/30/2006	68,948	4.2	17,983	41.4
For the six months ended 9/30/2005	66,118	4.7	12,709	(30.7)
For the fiscal year ended 3/31/2006	134,983	7.0	36,174	(8.8)

	Net income (loss)		Net income (loss) per share
	Millions of yen	%	Yen
For the six months ended 9/30/2006	11,056	(12.2)	21.01
For the six months ended 9/30/2005	12,596	1.8	24.28
For the fiscal year ended 3/31/2006	26,719	4.6	51.26

Note: 1. The average number of shares issued and outstanding:

For the six months ended September 30, 2006: 526,212,272

For the six months ended September 30, 2005: 518,611,032

For the fiscal year ended March 31, 2006: 520,238,913

2. Change in accounting methods: Yes

3. Percentages indicated in operating income, operating profit and net income are the changes from corresponding period of the previous year.

(3) Non-consolidated balance sheet highlights

	Total assets	Net assets	Net assets ratio	Net assets per common share	Risk adjusted capital ratio (BIS standard)
	Millions of yen	Millions of yen	%	Yen	%
For the six months ended 9/30/2006	5,986,024	484,814	8.0	921.37	12.55
For the six months ended 9/30/2005	5,917,779	427,841	7.2	823.03	12.24
For the fiscal year ended 3/31/2006	5,965,636	477,481	8.0	912.54	12.81

Note: 1. The number of shares outstanding as of:

September 30, 2006: 526,187,521

September 30, 2005: 519,833,618

March 31, 2006: 523,189,069

2. The number of treasury stocks outstanding as of:

September 30, 2006: 10,115,890

September 30, 2005: 16,469,793

March 31, 2006: 13,114,342

- Note: 1. Net assets ratio = (Net assets at the end of semi-annual term – Stock acquisition rights at the end of semi-annual term – Minority interest at the end of semi-annual term) / Total assets at the end of semi-annual term.
2. Non-consolidated risk adjusted capital (based on the standards of the Bank of International Settlement) is calculated in accordance with “Announcement concerning the establishment of standards for risk-adjusted capital ratio based on the provision of Article 14-2 of Banking Law” (MOF Announcement No. 55, 1993)”.
2. Non-consolidated earning projections for the fiscal year ending March 2007 (from April 1, 2006 to March 31, 2007)

	Operating income	Operating profit	Net income
Full year	Millions of yen 135,000	Millions of yen 36,000	Millions of yen 22,000

Projected net income per share (full year): ¥ 41.81

3. Dividend payment (Cash dividend)

	Dividend per share (Yen)		
	Semi-annual end	Fiscal end	Full year
For the fiscal year ended 3/31/06	3.00	4.00	7.00
For the fiscal year ending 3/31/07 (result)	3.50	-	7.00
For the fiscal year ending 3/31/07 (projection)	-	3.50	

* The above projections were made based upon information available at the date disclosing this financial data and a certain presumption the Bank considers reasonable and therefore actual business result may substantially change from this projections due to subsequent various factors.

Semi-Annual Non-consolidated Comparative Balance Sheets

(Millions of yen)

Item	As of Sept. 30, 2006 (A)	As of Sept. 30, 2005 (B)	Inc/Dec (A-B)	As of Mar. 31, 2006 (Summary) (C)	Inc/Dec (A-C)
(Assets)					
Cash & due from banks	172,904	222,793	(49,889)	190,068	(17,163)
Call loans	27,522	71,892	(44,370)	68,388	(40,866)
Receivables under resale agreement	—	—	—	1,009	(1,009)
Bills bought	—	10,000	(10,000)	—	—
Commercial paper & other debt purchased	54,297	40,122	14,175	46,949	7,347
Trading assets	34,968	28,526	6,441	35,544	(576)
Money held in trust	15,936	25,944	(10,008)	14,938	997
Securities	1,643,884	1,612,222	31,661	1,656,200	(12,316)
Loans & bills discounted	3,920,865	3,815,480	105,384	3,836,450	84,415
Foreign exchanges	23,316	20,526	2,790	22,644	672
Other assets	49,016	45,954	3,061	47,894	1,122
Premises & equipment	—	37,887	—	36,875	—
Tangible fixed assets	34,932	—	—	—	—
Intangible fixed assets	3,660	—	—	—	—
Customer liabilities for acceptances and guarantees	74,994	77,118	(2,123)	75,462	(468)
Reserve for possible loan losses	(70,030)	(90,447)	20,416	(66,546)	(3,484)
Reserve for possible investment losses	(244)	(244)	—	(244)	—
Total assets	5,986,024	5,917,779	68,244	5,965,636	20,387
(Liabilities)					
Deposits	5,137,332	5,162,893	(25,560)	5,151,482	(14,149)
Negotiable certificate of deposits	38,154	46,342	(8,187)	35,030	3,123
Call money	60,704	25,191	35,512	18,972	41,731
Payables under repurchase agreement	—	—	—	1,009	(1,009)
Margin money for bond lending transactions	25,228	25,452	(224)	24,907	320
Bills sold	—	25,100	(25,100)	25,100	(25,100)
Trading liabilities	9,331	13,984	(4,652)	14,017	(4,685)
Borrowed money	665	695	(29)	600	65
Foreign exchanges	2,291	1,608	683	1,683	608
Other liabilities	72,846	60,431	12,414	56,710	16,136
Reserve for retirement benefit	12,625	12,613	11	12,395	229
Deferred tax liabilities	67,034	38,504	28,529	70,781	(3,747)
Acceptances & guarantees	74,994	77,118	(2,123)	75,462	(468)
Total liabilities	5,501,209	5,489,937	11,272	5,488,154	13,054

Item	As of Sept. 30, 2006 (A)	As of Sept. 30, 2005 (B)	Inc/Dec (A-B)	As of Mar. 31, 2006 (Summary) (C)	Inc/Dec (A-C)
(Net assets)					
Capital	52,243	—	—	—	—
Capital surplus	30,192	—	—	—	—
Capital reserve	29,609	—	—	—	—
Other capital surplus	583	—	—	—	—
Retained earnings	263,533	—	—	—	—
Legal reserve	47,610	—	—	—	—
Other retained earnings	215,923	—	—	—	—
Voluntary reserve	195,293	—	—	—	—
Retained earnings brought forward	20,629	—	—	—	—
Treasury stocks	(5,786)	—	—	—	—
Total Shareholders' equity	340,183	—	—	—	—
Valuation gains on other securities	146,166	—	—	—	—
Deferred hedge gains (losses)	(1,534)	—	—	—	—
Valuation and conversion adjustment	144,631	—	—	—	—
Total net assets	484,814	—	—	—	—
Liabilities and net assets	5,986,024	—	—	—	—
(Shareholders' equity)					
Capital	—	52,243	—	52,243	—
Capital surplus	—	28,717	—	29,091	—
Capital reserve	—	28,509	—	28,509	—
Other capital surplus	—	207	—	581	—
Retained earnings	—	242,054	—	254,617	—
Legal reserve	—	47,610	—	47,610	—
Voluntary reserve	—	171,985	—	171,985	—
Unappropriated net income	—	22,457	—	35,021	—
[Net income for the current six months]	—	12,596	—	26,719	—
Valuation gains on other securities	—	114,153	—	148,987	—
Treasury stocks	—	(9,326)	—	(7,457)	—
Total Shareholders' equity	—	427,841	—	477,481	—
Total liabilities & Shareholders' equity	—	5,917,779	—	5,965,636	—

Semi-Annual Non-consolidated Comparative Statements of Income

(Millions of yen)

Item	For the six months ended 9/30/2006 (A)	For the six months ended 9/30/2005 (B)	Inc/Dec (A - B)	For the fiscal year ended 3/31/2006 (summary)
Operating income	68,948	66,118	2,829	134,983
Interest income	50,622	48,743	1,878	99,855
Interest on loans & discounts	35,677	35,165	511	70,440
Interest & dividends on securities	12,626	11,387	1,239	24,293
Trust fees	—	—	—	1
Fees and commissions	10,410	9,654	755	20,294
Trading income	464	157	307	514
Other business income	1,134	1,440	(305)	3,123
Other operating income	6,316	6,123	193	11,193
Operating expenses	50,964	53,409	(2,444)	98,808
Interest expenses	7,771	6,955	815	14,620
Interest on deposits	3,883	3,439	444	6,975
Fees and commissions	3,111	2,853	258	5,768
Other business expenses	513	768	(254)	1,985
General & administrative expenses	29,541	31,015	(1,473)	60,810
Other operating expenses	10,025	11,816	(1,790)	15,623
Operating profit	17,983	12,709	5,273	36,174
Extraordinary income	34	9,382	(9,348)	9,604
Extraordinary loss	204	885	(681)	1,282
Net income(loss) before income taxes and others	17,813	21,206	(3,392)	44,496
Income tax-current	7,564	2,202	5,362	2,597
Income tax-deferred	(807)	6,407	(7,215)	15,179
Net income (loss)	11,056	12,596	(1,539)	26,719
Retained earnings at the beginning of a period	—	9,861	—	9,861
Interim dividends	—	—	—	1,559
Unappropriated net income (loss)	—	22,457	—	35,021

Semi-Annual Non-Consolidated Statement of Changes in Net Assets

(Millions of yen)

	Shareholders' equity										
	Capital stock	Capital surplus			Legal reserve	Retained earnings					
		Capital reserve	Other capital surplus	Total		Other retained earnings					Total
						Reserve for advanced depreciation of fixed assets	Special account for advanced depreciation	Allowance for retirement benefits	Special reserve	Retained earnings brought forward	
Balance at 3/31/2006	52,243	28,509	581	29,091	47,610	627	258	600	170,500	35,021	254,617
Changes in the six months											
Dividend from surplus*										(2,092)	(2,092)
Bonuses to directors*										(47)	(47)
Reserve from income appropriation						44	263		23,000	(23,307)	—
Interim net income										11,056	11,056
Acquisition of treasury stocks											
Disposal of treasury stocks			1	1							
Disposal of treasury stocks by stock exchange		1,099		1,099							
Net changes other than shareholders' equity in the six months											
Changes in the six months	—	1,099	1	1,101	—	44	263	—	23,000	(14,391)	8,916
Balance at 9/30/2006	52,243	29,609	583	30,192	47,610	671	521	600	193,500	20,629	263,533

	Shareholders' equity		Valuation and conversion adjustment			Total net assets
	Treasury stocks	Total shareholders' equity	Valuation gains (losses) of other securities	Deferred hedge gains (losses)	Total	
Balance at 3/31/2006	(7,457)	328,493	148,987	—	148,987	477,481
Changes in the six months						
Dividend from surplus*		(2,092)				(2,092)
Bonuses to directors*		(47)				(47)
Reserve from income appropriation		—				—
Interim net income		11,056				11,056
Acquisition of treasury stocks	(96)	(96)				(96)
Disposal of treasury stocks	3	4				4
Disposal of treasury stocks by stock exchange	1,765	2,865				2,865
Net changes other than shareholders' equity in the six months			(2,821)	(1,534)	(4,356)	(4,356)
Changes in the six months	1,671	11,689	(2,821)	(1,534)	(4,356)	7,333
Balance at 9/30/2006	(5,786)	340,183	146,166	(1,534)	144,631	484,814

* These are income appropriation items resolved at the general shareholders' meeting at June 29, 2006.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Item	Current semi-annual fiscal term (From April 1, 2006 to September 30, 2006)
1. Valuation standards and booking standards for income/expenses on trading assets/liabilities	<p>Transactions for “trading purposes” (for purposes of seeking to capture gains arising from short-term changes in interest rates, currency exchange rates or market prices of securities and other market-related indices or from gaps among markets) are included in “Trading assets” and “Trading liabilities” of the semi-annual balance sheet on a contract date basis, and profits and losses on such trading transactions are recognized in “Trading income” or “Trading expenses” of the semi-annual statements of income.</p> <p>Securities and monetary claims purchased for trading purposes are stated at market value at the semi-annual fiscal year end. Financial derivatives such as swaps, futures or options are stated at the estimated amount that would be received or paid for settlement if such transactions were terminated at the semi-annual fiscal year end. The amount of the above trading income and expenses stated in the statement of income are the sum of interest received or paid in cash during the current semi-annual period plus (i) in the case of securities and monetary claims purchased; the difference between valuation gains or losses as of the end of the previous fiscal year period and those as of the end of the current semi-annual period; or (ii) in the case of financial derivatives; the difference between the amount of gain or loss equivalents as of the end of the previous fiscal year period and the end of the current semi-annual period for settlement if such transactions were terminated at the semi-annual fiscal year end.</p>
2. Valuation standards and methods for securities	<p>(1) Bonds held to maturity are stated at amortized (straight-line method) cost determined by the moving-average method. Shares of subsidiaries and affiliated companies are stated at cost computed by the moving-average method. Other securities with market values are stated at the market value (costs of sales are normally calculated by moving-average method) at the semi-annual fiscal year end and other non-marketable securities are stated at cost or amortized cost determined by the moving average method.</p> <p>Valuation gains (losses) of other securities are all included in Net assets, net of income taxes.</p> <p>(Change in accounting policy)</p> <p>Synthetic collateralized debt obligations (CDO) (asset backed securities using derivatives) had been classified as Other securities. And its bond portion and implied derivative portion had been evaluated altogether by market values, and its valuation gains (losses) had been stated in income statement. In response, however, to the “Accounting Treatment for Other Compound Financial Instrument (Compound Financial Instruments Other than Those with Options to Increase Paid-in Capital)” (Business Accounting Standard Application Guideline No. 12 issued on March 30, 2006) publicly announced, the Bank adopted such application guideline commencing with the current consolidated semi-annual term. So such synthetic CDOs are stated at amortized cost with book value as of March 31, 2006 to be acquired cost, and valuation gains (losses) (net of deferred tax liabilities) are included in Net assets. With this treatment, Valuation gains on other securities decreased ¥32 million, Deferred tax liabilities decreased ¥22 million, and interim net income before taxes increased ¥55 million comparing with those computed by the former treatment.</p> <p>(2) Securities comprising trust assets included in Money Held in Trust are stated in the same way for those mentioned in the above 1 and 2 (1).</p>
3. Valuation standards and methods for derivative transactions	Derivative transactions for purposes other than trading are stated at the market value.
4. Method of depreciation and amortization	(1) Tangible fixed assets The Bank’s tangible fixed assets are depreciated using the declining-balance method, and the Bank calculated the depreciation cost for the semi-annual term by

Item	Current semi-annual fiscal term (From April 1, 2006 to September 30, 2006)
	<p>proportionally allocating the estimated annual cost to the semi-annual term. The estimated useful lives of them are as follows: Buildings: 2-50 years Equipment: 2- 20 years</p> <p>(2) Intangible fixed assets Intangible fixed assets are amortized using the straight-line method. Capitalized software for their internal use is amortized using straight-line method over the useful lives as determined by the Bank (5 years).</p>
5. Booking standards of reserves	<p>(1) Reserve for possible loan losses A reserve for possible loan losses of the Bank is provided as detailed below, pursuant to the predetermined internal rules for charge-off and reserve standards. For claims to debtors that are legally or formally insolvent (that have entered into bankruptcy or special liquidation proceedings, or transactions with banks have been suspended by the rules of clearing houses, etc.) (bankrupt debtors) or claims to debtors that are virtually insolvent (virtually bankrupt debtors), a reserve is provided based on the amount of claims, net of amounts expected to be collected through the disposal of collateral or execution of guarantees. For claims to debtors that are not virtually bankrupt at present but are likely to become bankrupt (debtors likely to become bankrupt), a reserve is provided for the amount considered to be necessary based on an overall solvency assessment performed for the amount of claims net of amounts expected to be collected through disposal of collateral or execution of guarantees. In case of debtors likely to become bankrupt and borrowers with restructured loans, if the total loans from the Bank exceed a certain amount, reserves are provided as follows: (i) if future cash flows of the principal and interest to be collected and received can be reasonably estimated, the discounted cash flow method is applied, where the reserve is determined as the difference between the book value and the present value of expected future cash flows discounted by the contractual interest rate before concession for loan conditions were granted, and (ii) if future cash flows of the principal and interest cannot be reasonably estimated, the remaining loan periods are individually calculated and the estimated loss amount for a certain future period corresponding to such remaining loan period is provided as a reserve. For claims to other debtors, a reserve is provided based on historical loan loss ratio computed for each loan loss result during a certain period in the past. All claims are being assessed for their quality by the business related sections in charge of the claims, based on the internal rules for self-assessment of asset quality and the loan administration section, which is independent from such related sections, conducts audits of their assessment, and a reserve is provided based upon such audit results.</p> <p>(2) Reserve for possible investment losses Losses likely incur to non-marketable securities in future is estimated and the required amount based on such estimation is provided as a reserve for possible investment losses.</p>

Item	Current semi-annual fiscal term (From April 1, 2006 to September 30, 2006)
	<p>(3) Reserve for employee retirement benefit</p> <p>Reserve for employee retirement benefit is provided for the payment of employees' retirement benefit for the current semi-annual fiscal year calculated based on estimated amounts of the actuarial retirement benefit obligation and the pension assets as of fiscal year end. And accountings for actuarial differences is as follows:</p> <p>Actuarial differences:</p> <p>Actuarial differences is amortized using the straight-line method over a certain number of years (generally 10 years) within the employees' average remaining service period commencing from the next fiscal year of incurrence (stated as either income or expense in the statement of income).</p>
6. Translation standards of foreign currency assets/liabilities	<p>The Bank's foreign currency denominated assets/liabilities and all accounts of overseas branches, (except for the shares of consolidated subsidiaries which are required to be stated by the yen amount translated at the acquisition date exchange rate), are translated into the yen at the rate of the semi-annual term end.</p>
7. Processing method of lease transactions	<p>The Bank's equipment used under finance lease agreements is accounted for as equipment leased under operating leases, except for those leases which transfer the ownership of the leased equipment to the lessee, in which case the equipment is capitalized.</p>
8. Significant hedge accounting method	<p>(1) Interest rate risk hedge</p> <p>As for the hedge accounting for interest rate risks arising from financial assets and liabilities, the Bank applies deferred hedge accounting stipulated in the Industry Audit Committee Report No. 24, "Treatment of Accounting and Auditing of Application Standard for Financial Instruments in the Banking Industry" issued by the JICPA. With regard to hedging activities offsetting changes in interest rate, the Bank assesses the effectiveness of such hedge by grouping the hedged items (such as deposits and loans) and the hedging instruments (such as interest swaps) by their maturities. As for hedges to fix cash flows, the Bank assesses the effectiveness of such hedges by verifying correlation of interest fluctuation factors between the hedged items and the hedging instruments.</p> <p>(2) Foreign exchange risk hedge</p> <p>With respect to hedge accounting for foreign exchange risks attributable to foreign-currency denominated financial assets and liabilities, the Bank applies deferred hedge accounting stipulated in "Treatment of Accounting and Auditing for Foreign Currency Transactions in Banking Industry" (JICPA Industry Audit Committee Report No. 25)</p> <p>The Bank assesses the effectiveness of such hedge by designating currency swap transactions and foreign exchange swap transactions, which are for the purpose of offsetting foreign exchange rate risks involved in these assets and liabilities, as hedging instruments, and by verifying the existence of foreign currency positions of such hedging instruments matching up to the foreign-currency-denominated assets and liabilities, the hedged items.</p> <p>(3) Internal transactions</p> <p>With respect to internal derivative transactions between trading accounts and other accounts, the Bank manages interest rate swap transactions and currency swap transactions designated as hedging instruments in conformity with the non-arbitrary and strict hedging criteria for mirror transactions with the third parties against these swap transactions stipulated in the Industry Audit Committee Report No.24 and 25. Therefore the Bank reported the gains and losses on these swap transactions in the current earnings or deferred as assets or liabilities without elimination.</p> <p>For a part of assets and liabilities, the Bank applies deferral hedge accounting, or exceptional treatments permitted for interest rate swaps.</p>

Item	Current semi-annual fiscal term (From April 1, 2006 to September 30, 2006)
9. Accounting for consumption taxes	In the accounting treatment of the Bank, the National Consumption Tax and the Local Consumption Tax are excluded from the transaction amounts.
10. Matters concerning tax effect accounting	The amount of taxes paid and corporate tax adjustment incurred during this semi-annual fiscal term were calculated under the preconditions that deferred profits on property for income tax purpose and special account for advanced depreciation will be provided or reversed under the method of appropriation of retained earnings expected at the current semi-annual fiscal year end book closing.

Change in Significant Matters, A Basis for Preparing Semi-annual Financial Statements

Current semi-annual fiscal term (From April 1, 2006 to September 30, 2006)
(Accounting Standards for Presentation of Net Assets in the Balance Sheet) Commencing with the current semi-annual fiscal term, the Bank adopted “Accounting Standards for Presentation of Net Assets in the Balance Sheet” (the Accounting Standard Board of Japan (ASBJ) Statement No. 5 issued on December 9, 2005) and “Guidance on Accounting Standard for Presentation of Net Assets on the Balance Sheet” (ASBJ Guidance No. 8, issued on December 9, 2005). The amount corresponding to the former “Shareholders’ equity” at September 30, 2006 was ¥486,349 million. Net assets in the current semi-annual fiscal term balance sheet were presented in accordance with the revised Regulations Concerning Interim Financial Statements and Banking Law Enforcement Regulations.
(Accounting Standards for Business Combinations and Divestitures) “Opinion Concerning Establishment of Accounting Standards for Business Combinations,” issued by Business Accounting Council on October 31, 2003, “Accounting Standards for Business Divestiture” (ASBJ Statement No.7, issued on December 27, 2005), and “Guidance on Accounting Standards for Business Combinations and Accounting Standards for Business Divestitures” (ASBJ Guidance No.10, issued on December 27, 2005) became applicable from the fiscal year beginning on April 1, 2006. Commencing with the current semi-annual term, the Bank adopted the new accounting standards.

Change in Presentation Method

Current semi-annual fiscal term (From April 1, 2006 to September 30, 2006)
The appendix form of “Banking Law Enforcement Regulation” (Ministry of Finance Ordinance No.10, 1982) was revised by the “Cabinet Office Ordinance to Amend Part of Detailed Enforcement Regulation on Mutual Loan Business Law (Cabinet Office Ordinance No.60, April 28, 2006) and became applicable from the fiscal year beginning on April 1, 2006. Accordingly, presentation of account items has been changed commencing with the current semi-annual term as follows.
<ol style="list-style-type: none"> (1) Gains (losses) or unrealized gains (losses) related to hedge accounting which had been included in other assets on a net basis were presented as “Deferred hedge gains (losses)” in valuation and conversion adjustments net of tax effect on a net basis. (2) “Minority interests” which had been presented below liabilities section were presented in net assets. (3) “Premises and equipment” were separately presented as “Tangible assets”, “Intangible assets”, and “Other assets”. (4) Software which had been included in “Other assets” was included in “Intangible assets”.

Notes to Non-consolidated Financial Statements

(Semi-annual balance sheet)

Current semi-annual fiscal term (As of September 30, 2006)	
1.	Total amount of subsidiaries' stocks the Bank owns and investments: ¥15,522 million
2.	The amount of loans to debtors in bankruptcy and past due loans were ¥7,692 million and ¥116,293 million respectively. Loans to debtors in bankruptcy are loans to legally bankrupt debtors as defined in Article 96, paragraph 1, subparagraph 3-(a) to (e) or subparagraph 4 of Enforcement Ordinance for the Corporation Tax Law (Cabinet Order No. 97, 1965) and are included in loans on which accrued interest income is not recognized as there is substantial doubt about the ultimate collectibility of either principal or interest because they are past due for a considerable period of time or for other reasons (excluding loans written-off, "non-accrual loans"). Past due loans are non-accrual loans other than loans to debtors in bankruptcy and loans for which interest payments are deferred in order to assist the financial recovery of debtors in financial difficulties.
3.	The amount of loans contractually past due 3 months or more totaled ¥307 million. Loans contractually past due 3 months or more are defined as loans for which principal or interest payment is delinquent for 3 months or more from the next day of the contract payment date. Loans classified as loans to customers in bankruptcy or past due loans are excluded.
4.	The amount of restructured loans totaled ¥40,288 million. Such restructured loans are loans on which the Bank granted concession (e.g., reduction of the stated interest rate, deferral of interest payment, extension of maturity date, reduction of the face amount or other settlement favoring debtors) to debtors in financial difficulties to assist them in their financial recovery. Loans to customers in bankruptcy, past due loans and loans contractually past due 3 months or more are excluded.
5.	Total amount of the loans to customers in bankruptcy, past due loans, loans contractually past due 3 months or more and structured loans was ¥164,582 million. The amounts reflected in notes 2 to 5 represent the gross receivable amounts prior to reduction for the reserve for possible loan losses.
6.	Of participation loans, participated loan principal amount treated and presented in the current semi-annual consolidated balance sheet as loans to original debtors in accordance with Report No.3 issued on June 1, 1995 by Accounting System Council of JICPA was ¥59,954 million.
7.	Bills discounted are treated as financial transactions in accordance with "Treatment for Accounting and Auditing of Application of Accounting Standard for Financial Instruments in Banking Industry" (Industry Auditing Committee Report No.24 of the Japanese Institute of Certified Public Accountants). The Bank is entitled to sell or pledge commercial bills discounted and foreign exchange bills bought without restrictions. The total face value was ¥71,743 million.
8.	Assets pledged are as follows: Assets pledged as collateral: Securities: ¥226,334 million Liabilities related to above pledged assets: Deposits: ¥9,357million Call money: ¥29,000 million Bills sold: There is no outstanding balance as of the current semi-annual term end Margin money for bond lending transactions: ¥25,228 million Other than the above-mentioned assets, securities of ¥106,317 million are pledged as collateral for exchange transactions, or instead of margin money for future trading. Security deposit and margin money for future trading included in Other assets account were ¥1,089 million and ¥1 million respectively.
9.	Contracts of overdraft facilities and loan commitment limits are the contract that the Bank lends to the customers up to the prescribed limits in response to customers' application of loan as long as there is no violation of any condition in the contracts. The unused amount within the limits relating to these contracts total ¥1,132,812 million. The unused amount related to contracts of which original terms expire within one year is ¥1,100,937 million. Since many of these commitments expire without being drawn down, the unused amount does not necessarily affect future cash flows of the Bank and its consolidated subsidiaries. Most of these contracts have conditions that the Bank and its consolidated subsidiaries can refuse customers' allocation of loan or decrease the contract limits with proper reasons (e.g., changes in financial conditions, deterioration in customers' creditworthiness). At the inception of contracts, the Bank and its consolidated subsidiaries obtain real estate, securities, etc. as collaterals if considered to be necessary. Subsequently the Bank and its consolidated subsidiaries perform periodic review of the customers' business results based on internal rules and take necessary measures to reconsider conditions in contracts and/or require additional collaterals and guarantees.
10.	Accumulated depreciation on tangible fixed assets was ¥58,751 million.
11.	Accumulated advanced depreciation on tangible fixed assets was ¥8,682 million. (Advanced depreciation for this semi-annual term: Nil)
12.	Total amount of money claims due from directors and auditors: ¥4 million

(Semi-annual statements of income)

Current semi-annual fiscal term (From April 1, 2006 to September 30, 2006)	
1.	The amount of depreciation and amortization was as follows: Buildings and equipment ¥1,369 million Others ¥ 579 million
2.	Other operating expenses include transfer to reserve for possible loan losses in the amount of ¥5,466 million.

(Semi-annual statement of changes in net assets)

Current semi-annual fiscal term (From April 1, 2006 to September 30, 2006)					
1. Matters related to types and total number of treasury stocks.					
(Thousand shares)					
	As of March 31, 2006	Increase	Decrease	As of September 30, 2006	Ref.
Treasury stock					
Common stock	13,114	111	3,109	10,115	

(Note) Increase of 111 thousand common treasury stocks were caused by purchase of stocks falling short of trading unit (thousand shares), and of decreases, 3,104 thousand stocks were due to exchange of stocks, and 5 thousand stocks were sold to investors who wanted to buy stocks falling short of trading unit.

LEASE TRANSACTIONS

Report of lease transactions is omitted, since periodic securities report is disclosed via EDINET.

SECURITES (Stocks of Subsidiaries and Affiliated companies)

There is no stock of subsidiaries and affiliated companies which has market value in the current semi-annual term, previous semi-annual term and previous fiscal year.

BUSINESS CONSOLIDATION

Current semi-annual fiscal term (From April 1, 2006 to September 30, 2006)
The Bank made Alps Securities Co., Ltd. it wholly owned subsidiary effective April 1, 2006 through a stock exchange deal, but a note to this matter is omitted because it is described in the consolidated semi-annual financial report.

Semi-Annual Non-consolidated Balance Sheet

As of September 30, 2006

(Millions of yen)

Item	Amount	Item	Amount
(Assets)		(Liabilities)	
Cash and due from banks	172,904	Deposits	5,137,332
Call loans	27,522	Negotiable certificate of deposits	38,154
Commercial papers & other debt purchased	54,297	Call money	60,704
Trading assets	34,968	Margin money for bond lending transaction	25,228
Money held in trust	15,936	Trading liabilities	9,331
Securities	1,643,884	Borrowed money	665
Loans and bills discounted	3,920,865	Foreign exchanges	2,291
Foreign exchanges	23,316	Other liabilities	72,846
Other assets	49,016	Allowance for retirement benefit	12,625
Tangible fixed assets	34,932	Deferred tax liabilities	67,034
Intangible fixed assets	3,660	Acceptances & guarantees	74,994
Customers liabilities for acceptances & guarantees	74,994	Total liabilities	5,501,209
Reserve for possible loan losses	(70,030)	(Net assets)	
Reserve for possible investment losses	(244)	Capital	52,243
		Capital surplus	30,192
		Capital reserve	29,609
		Other capital reserve	583
		Retained earnings	263,533
		Legal reserve	47,610
		Other retained earnings	215,923
		Voluntary reserve	195,293
		Retained earnings brought forward	20,629
		Treasury stock	(5,786)
		Total Shareholders' equity	340,183
		Valuation gains (losses) on other securities	146,166
		Deferred hedge gains (losses)	(1,534)
		Valuation & conversion adjustment	144,631
		Total net assets	484,814
Total assets	5,986,024	Total liabilities and net assets	5,986,024

Semi-Annual Non-consolidated Statement of Income

From April 1, 2006 to September 30, 2006

(Millions of yen)

Item	Amount	
Operating income		68,948
Interest income	50,622	
Interest on loans & discounts	35,677	
Interest & dividends on securities	12,626	
Fees and commissions	10,410	
Trading income	464	
Other business income	1,134	
Other operating income	6,316	
	50,964	
Operating expenses		50,964
Interest expenses	7,771	
Interest on deposits	3,883	
Fees and commissions	3,111	
Other business expenses	513	
General & administrative expenses	29,541	
Other operating expenses	10,025	
	17,983	
Operating income		17,983
Extraordinary income		34
Extraordinary loss		204
		17,813
Net income before taxes and others		17,813
Income tax-current		7,564
Income tax-deferred		(807)
		11,056
Net income		11,056

Semi-Annual Non-consolidated Statement of Changes in Net Assets

From April 1, 2006 to September 30, 2006

(Millions of yen)

	Shareholders' equity										
	Capital stock	Capital surplus			Legal reserve	Retained earnings					Total
		Capital reserve	Other capital surplus	Total		Reserve for advanced depreciation of fixed assets	Special account for advanced depreciation	Allowance for retirement benefits	Special reserve	Retained earnings brought forward	
Balance at 3/31/2006	52,243	28,509	581	29,091	47,610	627	258	600	170,500	35,021	254,617
Changes in the six months											
Dividend from surplus*										(2,092)	(2,092)
Bonuses to directors*										(47)	(47)
Reserve from income appropriation						44	263		23,000	(23,307)	—
Interim net income										11,056	11,056
Acquisition of treasury stocks											
Disposal of treasury stocks			1	1							
Disposal of treasury stocks by stock exchange		1,099		1,099							
Net changes other than shareholders' equity in the six months											
Changes in the six months	—	1,099	1	1,101	—	44	263	—	23,000	(14,391)	8,916
Balance at 9/30/2006	52,243	29,609	583	30,192	47,610	671	521	600	193,500	20,629	263,533

	Shareholders' equity		Valuation and conversion adjustment			Total net assets
	Treasury stocks	Total shareholders' equity	Valuation gains (losses) of other securities	Deferred hedge gains (losses)	Total	
Balance at 3/31/2006	(7,457)	328,493	148,987	—	148,987	477,481
Changes in the six months						
Dividend from surplus*		(2,092)				(2,092)
Bonuses to directors*		(47)				(47)
Reserve from income appropriation		—				—
Interim net income		11,056				11,056
Acquisition of treasury stocks	(96)	(96)				(96)
Disposal of treasury stocks	3	4				4
Disposal of treasury stocks by stock exchange	1,765	2,865				2,865
Net changes other than shareholders' equity in the six months			(2,821)	(1,534)	(4,356)	(4,356)
Changes in the six months	1,671	11,689	(2,821)	(1,534)	(4,356)	7,333
Balance at 9/30/2006	(5,786)	340,183	146,166	(1,534)	144,631	484,814

* These are income appropriation items resolved at the general shareholders' meeting at June 29, 2006.